

# ANALYSIS OF THE CONSUMPTION EXPENDITURE OF THE EUROPEAN UNION MEMBER STATES WITH REGARD TO THE QUALITY OF LIFE

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## Abstract

**Purpose** – to examine the differentiation of consumption expenditure and its effects on the quality of life in the European Union while investigating groups of member states according to their consumption expenditure and considering the peculiarities of the quality of life in the European Union.

**Design/methodology/approach** – analysis and synthesis of scientific literature; the econometric analysis of official statistical data; the research is based on the methods of comparison, clustering, synthesis and regression analysis.

**Findings** – the investigation of literature provides a solid ground for the analysis of quality of life based on the variation of consumption expenditure in the European Union member states. The GDP level and growth is evidently not the sufficient parameter of economic progress in a country, especially when considering the quality of life. According to the cluster analysis of the European Union member states, there can be specified groups of countries with similar consumption structure in the critical areas of expenditure on food, alcohol, housing and others. To identify the clusters, the date of entering the European Union is examined, the lowest and highest economic indicators are investigated as well as the geographic location of the countries in focus.

**Research limitations/implications** – Consumption variation across the European Union countries is not researched widely, especially in Lithuania. Due to the prominence of variation of economic and social aspects among the EU member states, it is decided to limit the research to this region. The time frame of the research is limited as the statistical data is available from 1995.

**Practical implications** – This research enables further development of the consumption theory, it reveals the critical points in the economic and social progress of

the European Union member states and gives additional information for the formation of the social policy.

**Originality/Value** – The clusters are built according to the consumption expenditure in the European Union member states, relevant statistical indicators are provided, and the perspective of quality of life is used to provide the analytical insights.

**Keywords:** consumption expenditure, economic progress, quality of life.

**Research type:** research paper.